



41. Despite its knowledge of patent law and the current status of the '534 Patent, Defendant has and continues to falsely mark (or cause to be marked) their products as being covered by the '534 Patent. Defendant knew or reasonably should have known that marking their products with the '534 Patent after their expiration violated Federal patent marking laws which authorize marking only existing and enforceable patent or patent pending claims on a "patented" article.

42. Defendant intended to and has deceived the public by falsely marking (or causing to be marked) the patent protection status of their products.

43. Defendant has violated 35 U.S.C. §292(a) by marking (or causing to be marked), with intent to deceive the public, its website, including the webpage associated with the MyCeliacID product, with the '534 Patent.

**COUNT 3: THE '407 PATENT**

44. The Plaintiff incorporates and restates the allegations of Paragraphs 1-31.

45. As noted above in paragraph 20, the '407 Patent is expired. Because the '407 Patent is expired, any product once covered by the '407 Patent is no longer protected by the patent laws of the United States. When the '407 Patent expired, their formerly protected property entered the public domain.

46. Despite the fact the '407 Patent is no longer in force, Defendant has and continues to mark (or cause to be marked) various products, including their MyCeliacID product, with the '407 Patent.

47. Despite its knowledge of patent law and the current status of the '407 Patent, Defendant has and continues to falsely mark (or cause to be marked) their products as being covered by the '407 Patent. Defendant knew or reasonably should have known that marking their products with the '407 Patent after their expiration violated Federal patent marking laws

which authorize marking only existing and enforceable patent or patent pending claims on a “patented” article.

48. Defendant intended to and has deceived the public by falsely marking (or causing to be marked) the patent protection status of their products.

49. Defendant has violated 35 U.S.C. §292(a) by marking (or causing to be marked), with intent to deceive the public, its website, including the webpage associated with the MyCeliacID product, with the ‘407 Patent.

**COUNT 4: THE ‘800 PATENT**

50. The Plaintiff incorporates and restates the allegations of Paragraphs 1-31.

51. As noted above in paragraph 21, the ‘800 Patent is expired. Because the ‘800 Patent is expired, any product once covered by the ‘800 Patent is no longer protected by the patent laws of the United States. When the ‘800 Patent expired, their formerly protected property entered the public domain.

52. Despite the fact the ‘800 Patent is no longer in force, Defendant has and continues to mark (or cause to be marked) various products, including their MyCeliacID product, with the ‘800 Patent.

53. Despite its knowledge of patent law and the current status of the ‘800 Patent, Defendant has and continues to falsely mark (or cause to be marked) their products as being covered by the ‘800 Patent. Defendant knew or reasonably should have known that marking their products with the ‘800 Patent after their expiration violated Federal patent marking laws which authorize marking only existing and enforceable patent or patent pending claims on a “patented” article.

54. Defendant intended to and has deceived the public by falsely marking (or causing to be marked) the patent protection status of their products.

55. Defendant has violated 35 U.S.C. §292(a) by marking (or causing to be marked), with intent to deceive the public, its website, including the webpage associated with the MyCeliacID product, with the '800 Patent.

**COUNT 5: THE '209 PATENT**

56. The Plaintiff incorporates and restates the allegations of Paragraphs 1-31.

57. As noted above in paragraph 22, the '209 Patent is expired. Because the '209 Patent is expired, any product once covered by the '209 Patent is no longer protected by the patent laws of the United States. When the '209 Patent expired, their formerly protected property entered the public domain.

58. Despite the fact the '209 Patent is no longer in force, Defendant has and continues to mark (or cause to be marked) various products, including their MyCeliacID product, with the '209 Patent.

59. Despite its knowledge of patent law and the current status of the '209 Patent, Defendant has and continues to falsely mark (or cause to be marked) their products as being covered by the '209 Patent. Defendant knew or reasonably should have known that marking their products with the '209 Patent after their expiration violated Federal patent marking laws which authorize marking only existing and enforceable patent or patent pending claims on a "patented" article.

60. Defendant intended to and has deceived the public by falsely marking (or causing to be marked) the patent protection status of their products.

61. Defendant has violated 35 U.S.C. §292(a) by marking (or causing to be marked), with intent to deceive the public, its website, including the webpage associated with the MyCeliacID product, with the '209 Patent.

**DAMAGES**

62. The Plaintiff incorporates and restates the allegations of Paragraphs 1-61.

63. Upon information and belief, Defendant knows, or reasonably should know, that marking their products with false patent statements was and is illegal under Title 35 of the United States Code.

64. Each falsely marked product is a separate "offense" pursuant to 35 U.S.C. §292(a).

**PRAYER FOR RELIEF**

65. WHEREFORE, Plaintiff respectfully requests that this Court enter judgment against Defendant as follows:

66. A decree that Defendant has falsely marked products in violation of 35 U.S.C. § 292;

67. An award of monetary damages, pursuant to 35 U.S.C. § 292, in the form of a civil monetary fine of \$500 per false marking "offense," or an alternative amount as determined by the Court, one half of which should be paid to the United States of America and one-half of which shall be paid to Main Hastings;

68. An accounting for any falsely marked products not presented at trial and an award by the Court of additional damages for any such falsely marked products;

69. Enter a judgment and order requiring Defendant to pay Main Hastings prejudgment and post-judgment interest on the damages awarded;

70. Order Defendant to pay Main Hastings' costs and attorney fees; and

71. Grant Main Hastings such other and further relief as it may deem just and equitable.

**DEMAND FOR JURY TRIAL**

72. Pursuant to Federal Rules of Civil Procedure Rule 38, Plaintiff hereby demands a jury trial on all issues triable by jury.

Dated: January 31, 2011

Respectfully submitted,

/s/ Winston O. Huff

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ATTORNEYS FOR PLAINTIFF  
MAIN HASTINGS, LLC

**CERTIFICATE OF FILING**

I hereby certify that on January 31, 2011, I electronically filed the foregoing document with the Clerk of the Court using the CM/ECF system.

Respectfully submitted,

By: /s/ Winston O. Huff

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IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
MARSHALL DIVISION

MAIN HASTINGS LLC,

*Plaintiff,*

v.

PROMETHEUS LABORATORIES, INC.

*Defendant.*

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Civil Action No.

JURY TRIAL DEMANDED

**COMPLAINT FOR FALSE PATENT MARKING**

Plaintiff Main Hastings LLC, ("Main Hastings"), by its attorneys, hereby complains against Defendant Prometheus Laboratories, Inc. ("Prometheus") and alleges as follows:

**NATURE OF THE CASE**

1. This is a *qui tam* action on behalf of the public for false patent marking under 35 U.S.C. §292.
2. As set forth below, Defendant has violated 35 U.S.C. §292(a), by marking certain of its products with the purpose of deceiving the public. More specifically, Defendant has, with the purpose of deceiving the public, marked products with patents that have expired and, therefore, do not and cannot cover the marked products.
3. The false marking statute exists to give the public notice of patent rights. Congress intended the public to rely on marking as a ready means of discerning the status of intellectual property embodied in an article of manufacture or design. Federal patent policy recognizes an important public interest in permitting full and free competition in the use of ideas that are, in reality, a part of the public domain.
4. False patent marking – including representing through advertisement that a



product is covered by a patent that has expired - is a serious problem. Acts of false marking deter innovation and stifle competition in the marketplace. If an article that is within the public domain is falsely marked, potential competitors may be dissuaded from entering the same market. False marks may also deter scientific research when an inventor sees a mark and decides to forego continued research to avoid possible infringement. False marking can cause unnecessary investment in design around or costs incurred to analyze the validity or enforceability of a patent whose number has been marked upon a product with which a competitor would like to compete. Furthermore, false marking misleads the public into believing that a patentee controls the article in question (as well as like articles), externalizes the risk of error in the determination, placing it on the public rather than the manufacturer or seller of the article, and increases the cost to the public of ascertaining whether a patentee in fact controls the intellectual property embodied in an article. In each instance where it is represented that an article is patented, a member of the public desiring to participate in the market for the marked article must incur the cost of determining whether the involved patents are valid and enforceable. Failure to take on the costs of a reasonably competent search for information necessary to interpret each patent, investigation into prior art and other information bearing on the quality of the patents, and analysis thereof can result in a finding of willful infringement, which may treble the damages an infringer would otherwise have to pay. False markings may also create a misleading impression that the falsely marked product is technologically superior to previously available ones, as articles bearing the term "patent" may be presumed to be novel, useful, and innovative.

5. The false marking statute explicitly permits *qui tam* actions. By permitting members of the public to sue on behalf of the government, Congress allowed individuals to help control false marking.

6. Main Hastings, on its own behalf and on behalf of the United States, seeks an award of monetary damages of not more than \$500 for each of Defendant's violations of 35 U.S.C. § 292(a), one-half of which shall be paid to the United States pursuant to 35 U.S.C. § 292(b).

#### **THE PARTIES**

7. Main Hastings is a Texas limited liability company.

8. Defendant is a corporation established under the laws of the State of Delaware with its principal place of business at 9410 Carroll Park Drive, San Diego, CA 92121. Defendant can be served through its registered agent at The Company Corporation, 2711 Centerville Road, Suite 400, Wilmington, DE 19808.

9. Defendant regularly conducts and transacts business in Texas, throughout the United States, and within the Eastern District of Texas, itself and/or through one or more subsidiaries, affiliates, business divisions, or business units.

#### **JURISDICTION AND VENUE**

10. This Court has exclusive jurisdiction over this action pursuant to 28 U.S.C. §§ 1331 and 1338(a).

11. This Court has personal jurisdiction over the Defendant. The Defendant has conducted and does conduct business within the State of Texas. Defendant, directly or through subsidiaries or intermediaries, offers for sale, sells, marks and/or advertises the products that are the subject of this Complaint in the United States, the State of Texas, and the Eastern District of Texas.

12. Defendant has voluntarily sold the products that are the subject of this Complaint in this District, either directly to customers in this District or through intermediaries with the expectation that the products will be sold and distributed to customers in this District. These

products have been and continue to be purchased and used by consumers in the Eastern District of Texas. Defendant has committed acts of false marking within the State of Texas and, more particularly, within the Eastern District of Texas.

13. Venue is proper in this District pursuant to 28 U.S.C. §§ 1391(b)-(c) and 1395(a), because (i) Defendant's products that are the subject matter of this cause of action are advertised, marked, offered for sale, and/or sold in various retail stores and/or on the Internet in this District; (ii) a substantial part of the events or omissions giving rise to the claim occurred in this District; and (iii) Defendant is subject to personal jurisdiction in this District, as described above.

14. Main Hastings brings this action under 35 U.S.C. §292(b), which provides that any person may sue for civil monetary penalties for false patent marking.

**DEFENDANT'S FALSELY MARKED PRODUCTS AND PATENTS**

**A. MY CELIAC ID DIAGNOSTIC AND RISK ASSESSMENT PRODUCTS**

15. Defendant manufactures, markets, and sells a product identified on its packaging as MyCeliacID.

16. Figure 1 depicted below shows an image of the packaging for MyCeliacID:



Figure 1 – Picture of MyCeliacID Packaging

17. For a period of time, the website for the Defendant's products, including the MyCeliacID, has listed, among others, U.S. Patent Nos. 5,183,820 ("the '820 Patent");

5,196,534 ("the '534 Patent"); 5,225,407 ("the '407 Patent"); 5,360,800 ("the '800 Patent") and 6,429,209 ("the '209 Patent"). Figure 2 below shows a copy of the Defendant's website listing the '820, '534, '407, '800 and '209 Patents in relation to the Defendant's products and services, including the MyCeliacID. Further, attached as Exhibits A-E are true and correct copies of the '820, '534, '407, '800 and '209 Patents.

#### Patents

Prometheus spends millions of dollars each year in discovery, development, acquisition and protection of its diagnostic therapeutic, and risk assessment products. Much of Prometheus' technology is protected by U.S. and foreign patents. A patent provides protection for Prometheus' exclusive use and development of certain product technology and methodologies for a specific period of time.

The following is a partial list of United States (US) patents that Prometheus either owns or licenses for its products:

US Patent No. 5,183,820

US Patent No. 5,196,534

US Patent No. 5,225,407

US Patent No. 5,360,800

US Patent No. 5,750,355

US Patent No. 5,830,675

US Patent No. 5,856,095

US Patent No. 6,175,014

US Patent No. 6,218,129

US Patent No. 6,284,770

US Patent No. 6,355,623

US Patent No. 6,429,209

US Patent No. 6,576,438

US Patent No. 6,593,336

US Patent No. 6,680,302

US Patent No. 6,835,615

US Patent No. 6,856,391

US Patent No. 6,986,995

US Patent No. 6,987,097

US Patent No. 7,105,497

US Patent No. 7,138,237 B1

US Patent No. 7,326,694

US Patent No. 7,361,733

US Patent Nos. 5,643,602 and 6,423,340 (ENTOCORT<sup>®</sup>EC)

In addition, other US and foreign patents are pending on Prometheus' products, technologies and services

Figure 2 – Label Listing the '820, '534, '407, '800 and '209 Patents

18. The '820 Patent, entitled "Lactam Derivatives," was filed April 26, 1991, and issued on February 2, 1993. The '820 Patent expired on February 2, 2001 for failure to pay maintenance fees.

19. The '534 Patent, entitled "Process For The Preparation of Lactam Derivatives," was filed May 22, 1991, and issued on March 23, 1993. The '534 Patent expired on May 23, 2010.

20. The '407 Patent, entitled "5-HT<sub>3</sub> Receptor Antagonists For The Treatment of Autism," was filed September 8, 1992, and issued on July 6, 1993. The '407 Patent expired on July 6, 2010.

21. The '800 Patent, entitled "Tetrahydro-1H-pyrido[4,3-b]indol-1-one derivatives," was filed August 7, 1991, and issued on November 1, 1994. The '800 Patent expired on February 2, 2010 as provided and evidenced by the terminal disclaimer on the face of the patent.

22. The '209 Patent, entitled "Methods For Treating Irritable Bowel Syndrome," was filed April 13, 2001, and issued on August 6, 2002. The '209 Patent expired on August 6, 2006 for failure to pay maintenance fees.

#### **CAUSES OF ACTION FOR FALSE PATENT MARKING**

23. Main Hastings incorporates by reference the foregoing paragraphs as if fully set forth herein.

24. Defendant is a sophisticated company with years of experience applying for, obtaining, and/or litigating patents, and therefore know that patents do not have unlimited scope, but rather, have a scope limited to that which is claimed, and that all patents expire and that all monopoly rights in the patent terminate irrevocably when it expires..

25. Defendant has or regularly retains, sophisticated legal counsel.

26. Each false marking on the products identified in this Complaint is likely to, or at least has the potential to, discourage or deter persons and companies from commercializing competing products.

27. Defendant's false marking of its products has wrongfully quelled competition

with respect to such products thereby causing harm to Main Hastings, the United States, and the public.

28. Defendant has wrongfully and illegally advertised patent monopolies that it does not possess and, as a result, has benefited by maintaining a substantial market share with respect to the products referenced in this Complaint.

29. Defendant knows that patents provide the patent holder extreme market power to monopolize the invention.

30. Defendant knows that all patents expire and that all monopoly rights in the patent terminate irrevocably when it expires.

31. As set forth in detail herein, and/or for other reasons that will be later evidenced, Defendant has falsely marked the products described below, with the intent to deceive the public, in violation of 35 U.S.C. §292. Despite the easily modifiable digital format of the Defendant' website, product documentation, and product webpages and/or one or more revisions thereto since the expiration of the subject patent as evidenced by the updated (c) 2011 copyright notice date on such website, product documentation, and product webpages, Defendant has nevertheless knowingly and repeatedly used and continue to use the expired patent in marking, offering for sale and/or advertising its products, with intent to deceive the public.

#### **COUNTS 1-5: FALSE MARKING ON DEFENDANT'S PRODUCTS**

##### **COUNT 1: THE '820 PATENT**

32. The Plaintiff incorporates and restates the allegations of Paragraphs 1-31.

33. As noted above in paragraph 18, the '820 Patent is expired due to the failure to pay maintenance fees. Because the '820 Patent is expired, any product once covered by the '820 Patent is no longer protected by the patent laws of the United States. When the '820 Patent

expired, their formerly protected property entered the public domain.

34. Despite the fact the '820 Patent is no longer in force, Defendant has and continues to mark (or cause to be marked) various products, including their MyCeliacID product, with the '820 Patent.

35. Despite its knowledge of patent law and the current status of the '820 Patent, Defendant has and continues to falsely mark (or cause to be marked) their products as being covered by the '820 Patent. Defendant knew or reasonably should have known that marking their products with the '820 Patent after their expiration violated Federal patent marking laws which authorize marking only existing and enforceable patent or patent pending claims on a "patented" article.

36. Defendant intended to and has deceived the public by falsely marking (or causing to be marked) the patent protection status of their products.

37. Defendant has violated 35 U.S.C. §292(a) by marking (or causing to be marked), with intent to deceive the public, its website, including the webpage associated with the MyCeliacID product, with the '820 Patent.

**COUNT 2: THE '534 PATENT**

38. The Plaintiff incorporates and restates the allegations of Paragraphs 1-31.

39. As noted above in paragraph 19, the '534 Patent is expired. Because the '534 Patent is expired, any product once covered by the '534 Patent is no longer protected by the patent laws of the United States. When the '534 Patent expired, their formerly protected property entered the public domain.

40. Despite the fact the '534 Patent is no longer in force, Defendant has and continues to mark (or cause to be marked) various products, including their MyCeliacID product, with the '534 Patent.